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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

The K. 5070

September 24, 2012

Louis Pratt, Jr.
Kane County
76 North Main Street
Kanab, Utah 84741

Subject: Permit to Commence Small Mine Activities, Kane County, Kane County EWP 2012 Mine, S/025/0030, Kane County, Utah

Dear Mr. Pratt:

The Division of Oil, Gas and Mining finds your Notice of Intention to Commence Small Mining Operations (Notice) complete and approves the reclamation surety for the Kane County EWP 2012 Mine. The surety amount is escalated until 2015. You are now permitted to conduct mining activities as outlined in the Notice provided you have approval from all other appropriate agencies. The approval or acceptance of a complete notice of intention does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations. Enclosed please find a copy of the reclamation contract and stamped approved Notice.

Please keep in mind the following regulatory requirements:

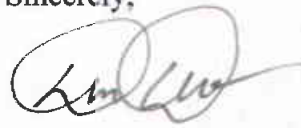
- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office, and the Division of State History.
- Permit fees and annual reports are due by January 31st.



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The Division's web page at <http://ogm.utah.gov> under the Mining Program has a link to the rules under which you are expected to operate and to other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number S/025/0030. Please contact Peter Brinton at 801-538-5258 or Paul Baker at 801-538-5261 if you have questions about this approval. Best wishes mining!

Sincerely,

A handwritten signature in dark ink, appearing to read 'Dana Dean', with a stylized flourish extending to the right.

Dana Dean, P.E.
Associate Director, Mining

DD: pnb: eb

Enclosure: Copy of RC & surety forms

Copy of approved NOI

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